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FOR IMMEDIATE RELEASE

**Mountain Funding Closes \$16.5 Million
High-Leverage Loan (93%) for Dallas Apartments**

Dallas, TX- July 8, 2002- Mountain Funding LLC, a national real estate opportunistic lending and investment company, today announced the closing of a \$16.5 million loan on Williamsburg Apartments at Hillcrest in Dallas, Texas. The transaction was arranged by Randall Fleisher of L.J. Melody.

The loan is the first closing under Mountain's new one-stop high-leverage loan program designed for value-added income properties. The program offers in one instrument, all debt and equity required up to 95% of the capital structure for residential projects and up to 90% for other property types.

"By blending the components of senior debt, mezz debt and equity into one instrument and one underwriting, the borrower avoids wasting time and money normally involved in intercreditor agreements, as well as multiple due diligence processes, attorneys and third-party professionals," said Peter Fioretti, president and CEO of Charlotte, North Carolina based Mountain Funding. Loans range from \$10-\$50 million.

The project, a 176-unit gated apartment community in the exclusive Hillcrest section of North Dallas, has amenities that include two swimming pools, a clubhouse and a fitness center. The borrower, who is a Canadian developer experienced in Dallas condominium conversions, plans to upgrade and convert the units into condominiums to sell from \$115,000 to \$175,000. Mountain will release units as sold.

Mountain Funding's non-recourse 3-year loan commitment covers 93% of the entire cost to acquire, improve, market and sell the project. Although funding 93% of total costs, Mountain will not be receiving an ownership interest or a participation in profits. Instead, Mountain will receive a blended combination of interest and fees, as follows: 9.25% interest (floating); 2.25% commitment fee; condo release fee equal 0.5% of sales; exit fee (in lieu of equity) of 5.25%.

Mountain Funding LLC, headquartered in Charlotte, NC with additional offices in Princeton, NJ and Boca Raton, FL, provides high-leverage "one-stop" senior/mezzanine/equity financing to value-added residential and commercial projects and special situations requiring quick closings. Established in 1993, Mountain Funding has closed equity and debt transactions involving real estate projects valued in excess of \$2.8 billion. For more information visit www.mountainfunding.com.

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